

**RESOLUTION 31354**

A RESOLUTION establishing the City's intent to seek a private sector partner to assist it in exploring possible models for expanding, upgrading, and/or developing district energy systems in certain areas of Seattle.

WHEREAS, the City has an interest in reducing greenhouse gas emissions within the city, expressed in Resolution 31312 and elsewhere; and

WHEREAS, district energy holds the potential to reduce such emissions by providing heating and sometimes cooling to buildings from a centralized, efficient, clean, and low-carbon source; and

WHEREAS, a study commissioned by the Office of Sustainability and Environment (OSE) evaluated a number of areas in the city where district energy may be feasible and desirable, and identified First Hill, including Yesler Terrace, as a potential early implementation opportunity; and

WHEREAS, OSE's research suggests that it would be prudent for the City to seek a private-sector partner with expertise in expanding, upgrading, developing and operating district energy systems to assist it in exploring the most appropriate model to pursue; and

WHEREAS, the City adopted Resolution 31329 supporting OSE's proposal in principal but requesting additional analysis of alternatives and options before seeking such a partner; and

WHEREAS, OSE has addressed the questions and issues raised by Resolution 31329 to the City's satisfaction; NOW, THEREFORE,

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE  
MAYOR CONCURRING, THAT:**

Section 1. The City of Seattle intends, through the Request For Qualifications substantially as attached as Exhibit A, led by the Office of Sustainability and Environment and in coordination with key First Hill stakeholders, to solicit a private-sector partner to assist it in exploring options for upgrading, expanding, and operating a district energy system on First Hill, including

exploration of options for providing service to Yesler Terrace and continued service to First Hill hospitals.

Section 2. The City through the Office of Sustainability and Environment will engage this private-sector partner through the following process, anticipated to span 2012:

- a) Solicit and select a partner through a Request for Qualifications process; and
- b) Establish a Memorandum of Agreement (MOU) with the selected partner to conduct due diligence on the opportunity; and
- c) Coordinate with the partner to conduct due diligence on the opportunity, including a feasibility assessment of district energy opportunities and potentially negotiate for the successful development of the opportunities identified in the feasibility assessment; and
- d) Following the identification of a viable proposal for expanded district energy service on First Hill and at the mutual agreement of both parties, develop implementation agreements, which at minimum will include a franchise agreement, to move forward with implementation of district energy service on First Hill. The City Council will approve any such implementation agreements to which the City is a party, and the City maintains the ability to select any course of future action until the implementation agreements are signed.

Section 3. The City Council will, by Resolution, establish a set of principles and parameters to be reflected in the MOU that OSE negotiates with the private district energy partner to guide the due diligence and negotiations referenced in Section 2(c) of this Resolution.

Adopted by the City Council the \_\_\_\_ day of \_\_\_\_\_, 2012, and  
signed by me in open session in authentication of its adoption this \_\_\_\_\_ day  
of \_\_\_\_\_, 2012.

President \_\_\_\_\_ of the City Council

THE MAYOR CONCURRING:

\_\_\_\_\_  
Michael McGinn, Mayor

Filed by me this \_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
Monica Martinez Simmons, City Clerk

(Seal)

Attachment A: Request for Qualifications – First Hill District Energy Strategic Partnership